

## **(9) Benefit Plans**

The Biotechnology Center has a defined contribution money purchase pension plan covering all qualified employees who have completed one year of service. The Biotechnology Center's contribution is 11.00% of pre-tax compensation for eligible employees. Employees are fully vested in the plan assets upon participation. Approximately \$481,891 and \$466,000 was contributed to the plan during the years ended June 30, 2011 and 2010, respectively. The plan is self-directed, with the majority of participants electing mutual funds. Additionally, after six months of employment, all regular employees are eligible to participate in a 403(b)(7), taxdeferred supplemental retirement plan. Participants may contribute subject to prevailing Internal Revenue Service regulations.

## **(10) Operating Leases**

The Biotechnology Center has acquired the right to use the land on which its building is constructed through an operating lease agreement, which expires on December 31, 2089 with another nonprofit organization, the Triangle Universities Center for Advanced Studies, Inc. (TUCASI). Title to the land remains with TUCASI.

Payments to TUCASI under the agreement are at the nominal rate of \$1 per year, and the Biotechnology Center pays all costs of insurance, taxes, and maintenance as defined in the lease agreement.

The Biotechnology Center also leases office space for certain regional offices, under noncancelable operating leases. Future minimum lease payments under these leases as of June 30, 2011 are as follows:

2012	\$	62,661
2013		<u>15,275</u>
	\$	<u><u>77,936</u></u>

Total rental expense for operating leases in 2011 and 2010 was \$109,673 and \$122,977, respectively.

## **(11) Related Parties**

Certain members of the Board of Directors are affiliated with state colleges and universities or biotechnology/bioscience companies to which the Biotechnology Center makes grant or contract awards. Total grant or contract awards to these entities totaled \$4,337,989 in 2011 and \$2,862,079 in 2010. Board members abstain from voting on matters related to his or her organization.